

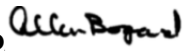




CITY COUNCIL

AGENDA REQUEST

AGENDA OF:	10/05/10	AGENDA REQUEST NO:	III-A
INITIATED BY:	REGINA MORALES	RESPONSIBLE DEPARTMENT:	ECONOMIC DEVELOPMENT
PRESENTED BY:	REGINA MORALES	DEPARTMENT HEAD:	REGINA MORALES,  DIRECTOR OF ECONOMIC DEVELOPMENT
		ADDITIONAL DEPARTMENT HEAD (S):	N/A
SUBJECT / PROCEEDING:	CONSIDERATION OF AND ACTION ON AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT FOR THE CONSTRUCTION OF A MINOR LEAGUE BASEBALL STADIUM AND THE LEASE AGREEMENT EXHIBIT FOR A 25-YEAR TERM, BY AND BETWEEN THE CITY OF SUGAR LAND, TEXAS AND OPENING DAY PARTNERS, LLC		
EXHIBITS:	FINAL DOCUMENTS ARE PENDING AND WILL BE FILED IN THE COUNCIL OFFICE		
CLEARANCES		APPROVAL	
LEGAL:	MARK ARNOLD, ANDREWS KURTH	EXECUTIVE DIRECTOR:	N/A
PURCHASING:	N/A	ASST. CITY MANAGER:	N/A
BUDGET:	JENNIFER BROWN,  BUDGET & RESEARCH DIRECTOR	CITY MANAGER:	ALLEN BOGARD 
BUDGET			
EXPENDITURE REQUIRED: \$		28,000,000	
CURRENT BUDGET: \$		28,000,000	
ADDITIONAL FUNDING: \$		N/A	
RECOMMENDED ACTION			
Approve Development Agreement and Lease Agreement between the City of Sugar Land and Opening Day Partners LLC.			
EXECUTIVE SUMMARY			
On February 16, 2010 the City Council approved a Memorandum of Understanding with Opening Day Partners, LLC (ODP) for the development of a professional minor league baseball stadium in Sugar Land. In selecting			

Opening Day Partner as the preferred partner to bring professional baseball to Sugar Land, the City Council believed they possessed the skills and experience most likely to be able to assist the community in the achievement of its goal to create a regional entertainment draw that would attract people throughout the region to Sugar Land.

In pursuing a Public/Private Partnership for the development and operation of a professional minor league baseball stadium in Sugar Land, the City aims to accomplish the following goals:

- Creating a destination activity center for Sugar Land which provides opportunities for entertainment and recreation for the residents of Sugar Land as well as attracting non-residents from the surrounding area.
- Developing a sustainable center for Professional Minor League Baseball in Sugar Land to open for the 2012 baseball season.
- Providing for the development and construction of a first-class Triple-A caliber baseball stadium with family oriented amenities which will also be designed as a flexible multi-use facility supporting community events, college and high school baseball tournaments, concerts, and other uses.
- Energizing the immediate area through its integrated design and operation thus maximizing the economic benefits of the venue for surrounding developments.

On May 18, 2010, the City approved a Letter of Intent (LOI) establishing Opening Day Partners (ODP) as the City's development partner in the design, construction, furnishing and funding of the proposed stadium. ODP will own an expansion baseball team which will be a member of the Atlantic League of Professional Baseball Clubs, Inc.

Since the approval of the LOI, the City has been committed to determining the most suitable site for the future Minor League Baseball Stadium. The City initiated proposals for alternative ballpark sites and due to the cost, delivery of infrastructure and its potential impact on surrounding development, the Imperial Sugar / Tract 3 site was chosen as the preferred location in June 2010. After determining there are no issues with constructability of the stadium on the Imperial Sugar / Tract 3 site, and concluding after several studies that there will be no negative impact on the quality of life in existing residential neighborhoods, the City Council approved the Imperial Sugar / Tract 3 site as the final location for a minor league baseball stadium on September 21, 2010.

The next step in the process of making Minor League Baseball a reality for Sugar Land is the approval of Development and Lease Agreements with Opening Day Partners LLC. The Development Agreement being presented to City Council for their consideration defines these major deal points:

- Project specifications for construction of the stadium
- Locations for stadium improvements, adjacent parking and offsite parking (NE corner of Hwy 6 & US 90a)
- Financial terms for Project funding:
 - City funds \$25mil for Stadium improvements
 - ODP funds \$5mil for Stadium improvements
 - City funds additional \$3mil for adjacent and offsite parking
- Approval processes for stadium plans, project budgets, FFE procurement, DB contractor selection
- Conditions to commencement of construction of the Baseball Stadium
- Substantial completion date of April 1, 2012
- ODP owns a Sugar Land a minor league team in the Atlantic League Association
- Atlantic League Association will provide replacement team agreement

The Lease Agreement provides a lease to ODP for use of the stadium with the following terms:

- Term of 25-years with renewal term right of first negotiation
- ODP is operator of stadium and offsite parking for all events – provides for future booking policies
- Permitted uses includes baseball games, conventions, concerts, movies, meetings, festivals, and fundraising galas
- ODP retains all revenues from stadium activities (except for rent payment obligations)
- Annual rent payment of \$80,000 plus additional annual participation rent
- Repairs and maintenance are full responsibility of ODP
- Establishes Advisory Committee to consult with ODP throughout life of lease

Staff has reviewed the documents with the Finance Audit Committee and recommends approval of both the Development and Lease Agreements.

EXHIBITS

Final documents are pending and will be filed in the Council Office.